# GOVERNMENT OF INDIA
# RAILWAYS
# LOK SABHA

UNSTARRED QUESTION NO:637
ANSWERED ON:26.07.2001
FOREIGN LOAN BY IRFC
RAMKRISHNA KUSMARIA

**Will the Minister of RAILWAYS be pleased to state:**

(a) whether Indian Railway Finance Corporation seeks loan from foreign financial institutions;

(b) if so, the total amount of loan taken from abroad by March, 2001; and

(c) the amount of interest paid by the Indian Railway Finance Corporation during 1998-99, 1999-2000 and 2000-2001 alongwith the rate of interest thereon?

## Answer

MINISTER OF STATE IN THE MINISTRY OF RAIWLAYS AND PARLIAMENTARY AFFAIRS (SHRI O. RAJAGOPAL)

a) & (b): Yes, Sir. The Indian Railway Finance Corporation Ltd. (IRFC) has raised an export credit of US Dollar 42.4 million from Export Development Corporation (EDC), Canada, a syndicated loan of Japanese Yen 8.85 billion from a consortium of foreign financial institutions and an export credit of Euro 19.5 million from Kreditantstalt fur Wiederaufbau (KfW), Germany, till end of March, 2001.

c) The amount of interest paid by IRFC and rates of interest are as under:-

| Year | Amount of interest paid (Rs. in crore) | Rate of interest per annum |
|---|---|---|
| 1998-99 | 1.18 | 3.08% (Yen Loan) 5.3% (EDC Credit) |
| 1999-2000 | 15.21 | 3.08% (Yen Loan) 5.3% to 6.43% (EDC Credit) |
| 2000-01 | 19.75 | 3.08% (Yen Loan) 5.55% to 7.1% (EDC Credit) 5.43% to 5.5% (KfW Credit) |

The Yen loan which was initially raised at an interest rate of 5.3% was re-financed towards the end of 1998 at an interest rate of 3.08% taking advantage of the downward movement of interest rates.